(a) the broadline of New Exploration Licensing Policy; and

(b) the details of fiscal incentives granted to oil majors?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) and (b) The New Exploration Licensing Policy provides a level playing fields to National Oil Companies vis-a-vis Private Oil Companies. The fiscal terms offered under NELP are as under:

1. There is no signature, discovery or production bonus.

2. There is no mandatory state participation.

3. There is no carried interest by National Oil Companies.

4. Income Tax Holiday for seven years from start of commercial production.

5. No customs duty on imports required for petroleum operations.

6. Biddable cost recovery limit upto 100%.

7. Option to amortise exploration and drilling expenditures over a period of 10 years from first commercial production.

8. Biddable sharing of profit petroleum based on pre-tax investment multiple achieved by the contractor.

9. Royalty for onland areas is payable at the rate of 12.5% for crude oil and 10% for natural gas. For offshore areas, it is payable at the rate of 10% for oil and natural gas. Royalty for discoveries in deep water areas beyond 400 m iso-bath will be chargeable at half the applicable rate for offshore areas for the first seven years of commercial production.

10. Fiscal stability provision in the contract.

11. Freedom to the contractor for marketing of oil and gas in the domestic market.

12. Provision for assignment.

13. Conciliation and Arbitration Act, 1996, which is based on UNCITRAL model shall be applicable.

14. To facilitate investors, a Petroleum Tax Guide (PTG) is in place.

The fiscal terms apply uniformly to all companies including oil majors.

Making commercial vehicle run on CNG

2577. SHRI RAJNATH SINGH 'SURYA': Will the Minister of PETROLEUM & NATURAL GAS be pleased to state:

(a) whether it is a fact that Government is under obligation for making all commercial vehicle run on CNG by March 2001;

(b) whether any plan of action has been finalised;

(c) if so, the details thereof;

(d) whether there is any incentive to common men for having their vehicles converted to run on CNG; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR): (a) to (e) As per the directive of the Supreme Court, the Govt. is under obligation to make auto, taxi and buses (DTC & private) run on CNG by March, 2001 in Delhi. The Hon'ble Supreme Court has issued the following directives:—

(i) Replacement of all pre-1990 autos and taxis with new vehicles on clean fuels;

(ii) No 8-year old buses to ply except on CNG or other clean fuels.

(iii) Entire bus fleet (DTC & private) to be steadily converted to single fuel mode on CNG; and

(iv) Number of CNG supply outlets to be increased from 9 to 80 in Delhi.

Govt. has formed Indraprastha Gas Limited, a joint venture company of GAIL, BPCL and Government of NCT of Delhi to inter-alia, augment CNG outlets from 9 to 80 by 31.3.2000.

As per the prevailing prices in Delhi of petrol (Rs. 23.94/litre) and diesel (Rs. 9.94/litre), CNG is 67% cheaper than petrol and 18% cheaper than diesel.

In order to provide support to the public for using CNG, Government is levying only 5% basic customs duty on CNG conversion kits.